
The original instrument was prepared by Riley Boudreaux. The following digest, which does not constitute a part of the legislative instrument, was prepared by Ann S. Brown.

DIGEST

Adley (SB 245)

Present law grants a transferable income tax credit for state-certified movie productions approved on or after January 1, 2006, but before July 1, 2010 of 25% of the "base investment" if the base investment is greater than \$300,000. The percentage is reduced to 20% for state-certified productions approved on or after July 1, 2010, but before July 1, 2012. After July 1, 2012, the percentage is 15%.

Proposed law increases the production credit to 30% for all state-certified productions approved after July 1, 2009.

Present law also grants an additional 10% tax credit to the extent that base investment is expended on payroll for Louisiana residents employed with a state-certified productions.

Proposed law reduces the tax credit from 10% to 5% for base investment expended on payroll for Louisiana residents employed in connection with all state-certified productions.

Present law provides for the transferability of tax credits by selling the credit to another LA taxpayer or transferring the credit to the office of entertainment industry development within the Department of Economic Development. Further provides the following formula to determine the credit amount:

1. Beginning on and after 1/1/07:
For 72% of the face value of the credit.
2. Beginning on 1/1/09 and every second year thereafter:
A 2% increase in the face value of the credit shall be allowed until the tax credit reaches 80% of the face value.

Proposed law increases the tax credit transferred to the office to 85% of the face value of the credits for projects certified on and after 7/1/09.

Present law provides for the certification and administration of the motion picture investor tax credit.

Proposed law further provides prior to any final certification of a state-certified production or infrastructure project, the motion picture production company or infrastructure project applicant shall submit to the office a notarized statement demonstrating conformity, and agreeing to, the following:

- (1) To pay all undisputed legal obligations the film production company has incurred in Louisiana.
- (2) To publish, at completion of principal photography, a notice at least once a week for three consecutive weeks in local newspapers in regions where filming has taken place in order to notify the public of the need to file creditor claims against the film production company by a specified date.
- (3) That the outstanding obligations are not waived should a creditor fail to file by the specified date.
- (4) To delay filing a claim for the film production tax credit until the office delivers written notification to the secretary of the Department of Revenue that the film production company has fulfilled all requirements for the credit.

Effective July 1, 2009.

(Amends R.S. 47:6007(C)(1)(b)(intro para) and (c)(intro para), and R.S. 47:6007 (C)(1)(c)(i)(ii) and (5); adds R. S. 47:6007(D)(2)(e); repeals R.S. 47:6007(C)(1)(d))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill.

1. Requires a notarized statement of conformity by the applicant for a production or infrastructure credit be submitted to the Department of Economic Development which demonstrates conformity and agreeing to the following:
 - (1) To pay all obligations the film production company has incurred in Louisiana.
 - (2) To publish, at completion of principal photography, a notice at least once a week for three consecutive weeks in local newspapers in regions where filming has taken place in order to notify the public of the need to file creditor claims against the film production company by a specified date.
 - (3) That the outstanding obligations are not waived should a creditor fail to file by the specified date.
 - (4) To delay filing a claim for the film production tax credit until the office delivers written notification to the secretary of the Department of Revenue that the film production company has fulfilled all requirements for the credit.

Senate Floor Amendments to engrossed bill.

1. Adds a reduction in the investor tax credit, expended on payroll for Louisiana residents employed with a state-certified productions, from 10% to 5%.
2. Adds a provision to allow investor who have earned the motion picture investor tax credit, for projects certified on and after 7/1/09, to transfer the credit to the office of entertainment industry development for 85% of the face value of the credits.
3. Technical corrections.